

**THE GEORGE HULL CENTRE
FOR CHILDREN AND FAMILIES
FINANCIAL STATEMENTS
MARCH 31, 2019**

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES

MARCH 31, 2019

TABLE OF CONTENTS

	PAGE
Independent Auditor's Report	1
Statement Of Financial Position	3
Statement Of Operations - Operating Fund	4
Statement Of Changes In Fund Balance - Operating Fund	5
Statement Of Operations And Changes In Fund Balance Etobicoke Brighter Futures Coalition Fund	6
Statement Of Operations And Changes In Fund Balance Preschool Speech And Language Services Fund	7
Statement Of Cash Flows	8
Notes To The Financial Statements	9 - 20

PETERS, BROWN LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Trustees of
The George Hull Centre for Children and Families

Opinion

We have audited the financial statements of The George Hull Centre for Children and Families, (the Centre) which comprise the statement of financial position as at March 31, 2019 and the statements of operations and changes to fund balance and statement of cash flows for the year ending March 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNFPO and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Etobicoke, Ontario
June 20, 2019

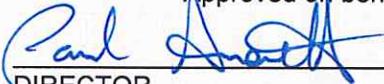


LICENSED PUBLIC ACCOUNTANTS

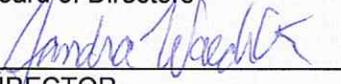
**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019**

	Operating Fund	Etobicoke Brighter Futures Fund	Preschool Speech and Language Services Fund	Total 2019	Total 2018
ASSETS					
CURRENT ASSETS					
Cash	\$ 314,336	\$ 73,453	\$ 136,251	\$ 524,040	\$ 756,530
Accounts receivable	353,654	28,571	-	382,225	195,536
Accounts receivable – related (Note 3)	1,149	-	-	1,149	-
Prepaid expenses and deposits	<u>87,584</u>	<u>-</u>	<u>11,305</u>	<u>98,889</u>	<u>119,950</u>
	<u>\$ 756,723</u>	<u>\$ 102,024</u>	<u>\$ 147,556</u>	<u>\$ 1,006,303</u>	<u>\$ 1,072,016</u>
TANGIBLE CAPITAL ASSETS (Note 4)	<u>\$ 3,839,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,839,899</u>	<u>\$ 3,540,218</u>
	<u>\$ 4,596,622</u>	<u>\$ 102,024</u>	<u>\$ 147,556</u>	<u>\$ 4,846,202</u>	<u>\$ 4,612,234</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 587,874	\$ 41,083	\$ 14,679	\$ 643,636	\$ 588,111
Accounts payable – related (Note 3)	-	-	-	-	261,000
Government remittances payable	30,291	-	-	30,291	96,258
Pension payable	-	-	-	-	600,338
Deferred contributions (Note 6)	502,858	3,933	68,405	575,196	484,587
Deferred contributions related to capital assets (Note 7)	<u>129,295</u>	<u>-</u>	<u>-</u>	<u>129,295</u>	<u>191,311</u>
	<u>\$ 1,250,318</u>	<u>\$ 45,016</u>	<u>\$ 83,084</u>	<u>\$ 1,378,418</u>	<u>\$ 2,221,605</u>
LONG-TERM LIABILITIES					
Pension payable - net of current portion (Note 8)	\$ 2,734,213	\$ -	\$ -	\$ 2,734,213	\$ 1,791,826
Deferred contributions related to capital assets - net of current portion (Note 7)	<u>2,472,579</u>	<u>-</u>	<u>-</u>	<u>2,472,579</u>	<u>2,264,807</u>
	<u>\$ 5,206,792</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,206,792</u>	<u>\$ 4,056,633</u>
	<u>\$ 6,457,110</u>	<u>\$ 45,016</u>	<u>\$ 83,084</u>	<u>\$ 6,585,210</u>	<u>\$ 6,278,238</u>
NET ASSETS					
FUND BALANCES					
Unrestricted	\$(3,038,488)	\$ 20,101	\$ -	\$(3,018,387)	\$(2,952,019)
Externally restricted (Note 9)	<u>1,178,000</u>	<u>36,907</u>	<u>64,472</u>	<u>1,279,379</u>	<u>1,286,015</u>
	<u>\$(1,860,488)</u>	<u>\$ 57,008</u>	<u>\$ 64,472</u>	<u>\$(1,739,008)</u>	<u>\$(1,666,004)</u>
	<u>\$ 4,596,622</u>	<u>\$ 102,024</u>	<u>\$ 147,556</u>	<u>\$ 4,846,202</u>	<u>\$ 4,612,234</u>

Approved on behalf of the Board of Directors



DIRECTOR



DIRECTOR

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF OPERATIONS
OPERATING FUND
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
REVENUE		
Government funding	\$ 7,952,445	\$ 7,483,544
Other funding and income	408,011	490,252
Expense recoveries	7,630	4,801
Donations, net (Note 12)	<u>401,149</u>	<u>249,000</u>
	<u>\$ 8,769,235</u>	<u>\$ 8,227,597</u>
EXPENSES		
Salaries and wages	\$ 5,410,796	\$ 5,051,731
Employee benefits	1,363,980	1,283,178
Occupancy costs	505,455	487,304
Professional services - client related	380,900	331,846
Professional services - non-client related	33,903	50,492
Client expenses	203,083	205,392
Stationery and office supplies	33,665	34,072
Program supplies	19,727	24,922
Communication	40,728	44,768
Advertising and promotion	37,882	23,446
Insurance	50,176	45,461
Travel expenses	50,416	38,334
Equipment rental	14,538	14,660
Staff development	65,036	49,259
Library	4,613	18,077
Repairs and maintenance	321,022	281,163
Vehicle expenses	33,344	16,003
General	27,361	39,918
Amortization	<u>172,505</u>	<u>187,495</u>
	<u>\$ 8,769,130</u>	<u>\$ 8,227,521</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 105</u>	<u>\$ 76</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF CHANGES IN FUND BALANCE
OPERATING FUND
FOR THE YEAR ENDED MARCH 31, 2019

	Unrestricted	Restricted	2019	2018
Balance, beginning of the year	\$(2,952,019)	\$ 1,178,000	\$(1,774,019)	\$(404,423)
Excess of revenue over expenses	105	-	105	76
Pension liability re-measurement (loss) gain	<u>(86,574)</u>	<u>-</u>	<u>(86,574)</u>	<u>(1,369,672)</u>
Balance, end of the year	<u>\$(3,038,488)</u>	<u>\$ 1,178,000</u>	<u>\$(1,860,488)</u>	<u>\$(1,774,019)</u>

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
ETOBICOKE BRIGHTER FUTURES COALITION FUND
FOR THE YEAR ENDED MARCH 31, 2019**

	2019	2018
REVENUE		
Health Canada CAPC program	\$ 243,154	\$ 243,154
United Way Success by Six	77,110	117,700
Dad Central Ontario	33,869	21,850
Other	<u>50</u>	<u>10,009</u>
	<u>\$ 354,183</u>	<u>\$ 392,713</u>
EXPENSES		
Personnel	\$ 297,025	\$ 335,842
Travel	5,712	7,153
Materials and office supplies	29,199	43,457
Staff development	728	5,593
Rent	8,950	9,550
Other	<u>-</u>	<u>1,106</u>
	<u>\$ 341,614</u>	<u>\$ 402,701</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 12,569	\$ (9,988)
FUND BALANCE - beginning of year	<u>44,439</u>	<u>54,427</u>
FUND BALANCE - end of year	<u>\$ 57,008</u>	<u>\$ 44,439</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
PRESCHOOL SPEECH AND LANGUAGE SERVICES FUND
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
REVENUE		
Toronto Public Health	\$ 1,419,755	\$ 1,339,115
Other	<u>48,751</u>	<u>34,291</u>
	<u>\$ 1,468,506</u>	<u>\$ 1,373,406</u>
EXPENSES		
Salaries and wages	\$ 943,155	\$ 831,737
Employee benefits	209,525	232,050
Contract staff	72,705	123,601
Audit	6,000	6,000
Program supplies	3,016	6,998
Professional development	1,005	3,443
Travel, food and accommodations	6,640	5,039
Insurance	8,000	8,000
Office supplies	21,559	18,513
Furniture and equipment	30,375	19,685
Rent	<u>165,630</u>	<u>118,340</u>
	<u>\$ 1,467,610</u>	<u>\$ 1,373,406</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	896	\$ -
FUND BALANCE - beginning of year	<u>63,576</u>	<u>63,576</u>
FUND BALANCE - end of year	<u>\$ 64,472</u>	<u>\$ 63,576</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2019

	Operating Fund	Etobicoke Brighter Futures Fund	Preschool Speech and Language Services Fund	Total 2019	Total 2018
CASH FLOWS FROM OPERATIONS					
Excess of revenue over expenditures	\$ 105	\$ 12,569	\$ 896	\$ 13,570	\$ (9,912)
Items not requiring an outlay of cash:					
Amortization	172,505	-	-	172,505	187,495
Net benefit plan expense	<u>382,218</u>	<u>-</u>	<u>-</u>	<u>382,218</u>	<u>290,549</u>
	\$ 554,828	\$ 12,569	\$ 896	\$ 568,293	\$ 468,132
Changes in non-cash working capital (A)	<u>(187,253)</u>	<u>(41,758)</u>	<u>27,157</u>	<u>(201,854)</u>	<u>(262,921)</u>
	\$ 367,575	\$ (29,189)	\$ 28,053	\$ 366,439	\$ 205,211
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of tangible capital assets	\$ (472,186)	\$ -	\$ -	\$ (472,186)	\$ (164,652)
CASH FLOWS FROM FINANCING ACTIVITIES					
Pension payable	\$ (40,169)	\$ -	\$ -	\$ (40,169)	\$ 881,389
Pension liability re-measurement gain (loss)	<u>(86,574)</u>	<u>-</u>	<u>-</u>	<u>(86,574)</u>	<u>(1,369,672)</u>
	\$ (126,743)	\$ -	\$ -	\$ (126,743)	\$ (488,283)
INCREASE (DECREASE) IN CASH	\$ (231,354)	\$ (29,189)	\$ 28,053	\$ (232,490)	\$ (447,724)
CASH - beginning of year	545,690	102,642	108,198	756,530	1,204,254
CASH - end of year	<u>\$ 314,336</u>	<u>\$ 73,453</u>	<u>\$ 136,251</u>	<u>\$ 524,040</u>	<u>\$ 756,530</u>
(A) CHANGES IN NON-CASH WORKING CAPITAL					
Accounts receivable	\$ (158,178)	\$ (28,571)	\$ 60	\$ (186,689)	\$ (76,359)
Accounts receivable (payable) - related	<u>(262,149)</u>	<u>-</u>	<u>-</u>	<u>(262,149)</u>	<u>163,500</u>
Prepaid expenses and deposits	(15,868)	993	35,936	21,061	(9,422)
Accounts payable and accrued liabilities	82,477	(18,113)	(8,839)	55,525	(62,920)
Government remittances payable	(65,967)	-	-	(65,967)	6,860
Deferred contributions	86,676	3,933	-	90,609	(100,831)
Deferred contributions related to capital assets	<u>145,756</u>	<u>-</u>	<u>-</u>	<u>145,756</u>	<u>(183,749)</u>
	<u>\$ (187,253)</u>	<u>\$ (41,758)</u>	<u>\$ 27,157</u>	<u>\$ (201,854)</u>	<u>\$ (262,921)</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The George Hull Centre for Children and Families (the "Centre") is a comprehensive children's mental health centre, serving children from birth through age 18, and their families. The Centre is incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act. Accordingly, there is no provision for corporate income taxes as the Centre is exempt from paying tax under Sec. 149(1)(l) of The Income Tax Act.

The Centre administers funds on behalf of the Etobicoke Brighter Futures Coalition. The Coalition is composed of 30 agencies, neighbourhood centres, health centres, community groups and parents who have come together to develop and foster a collaborative network of programs and support for children to the age of six considered to be at risk.

The Centre also acts as service provider for Toronto Preschool Speech and Language Services as lead agency for the West Service Area. Toronto Preschool Speech and Language Services serves the speech, language and communication needs of young children from birth until entry to Junior Kindergarten, through community-based assessment and intervention, parent training and community capacity building.

In accounting for its activity during the period, the Centre adhered to the following accounting policies:

Revenue Recognition

The Centre follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred until related expenses are recognized.

Fund Accounting

Revenue and expenses related to program delivery and administration activities are reported in the Operating Fund.

Revenue earned and expenses incurred on behalf of the Etobicoke Brighter Futures Coalition are reported in Brighter Futures Coalition Fund.

Revenue earned and expenses incurred on behalf of the Speech and Language Coalition are reported in Speech and Language Coalition Fund.

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost.

Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Furniture and fixtures	5 years
Computer equipment	3 years
Computer software	5 years
Leasehold improvements	5 - 15 years

Impairment of Long-lived Assets

The Centre monitors the recoverability of long-lived assets, including land, buildings, furniture and fixtures, computer equipment and software and leasehold improvements. In the event that facts and circumstances indicate that the Centre's long-lived assets may be impaired, an evaluation of recoverability is performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value is required. The Centre has determined that there were no impairments of long-lived assets at March 31, 2019.

Management Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates.

Employee Future Benefits

The Centre maintains a defined benefit pension plan for certain employees. The value of accrued benefits and changes therein during the year are based on an actuarial valuation prepared by an independent firm of actuaries. The cost of defined pension benefits is charged to earnings using the projected benefit method prorated on service and management's best estimate, as at the valuation date.

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

NOTE 2 FINANCIAL INSTRUMENTS

Financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. As at March 31, 2019, there were no significant differences between their carrying values and their estimated market values due to their immediate or short term nature.

The Centre's financial instruments expose the Centre to certain risks. These risks are defined as follows:

Credit risk

Credit risk is the risk of loss arising from the failure of a counter party to fully honour its financial obligations with the Centre.

It is the opinion of management that the Centre is not exposed to any significant credit risk.

Liquidity risk

Liquidity risk is the risk of not being able to meet the Centre's cost requirements in a timely and cost effective manner.

Management considers liquidity risk to be minimal or not significant.

NOTE 3 ACCOUNTS RECEIVABLE (PAYABLE) - RELATED

The balance of \$1,149 (2018 - \$(261,000)) represents donations receivable net of advances made by The George Hull Centre Foundation.

NOTE 4 TANGIBLE CAPITAL ASSETS

The Centre's tangible capital assets as at March 31, 2019 were comprised of:

	Cost	Accumulated Amortization	2019 Net	2018 Net
Land	\$ 1,178,000	\$ -	\$ 1,178,000	\$ 1,178,000
Buildings	1,173,237	161,317	1,011,920	1,041,251
Furniture and fixtures	196,304	157,650	38,654	42,535
Computer equipment	163,745	87,882	75,863	54,418
Computer software	100,937	85,513	15,424	19,831
Leasehold improvements	<u>2,016,370</u>	<u>496,332</u>	<u>1,520,038</u>	<u>1,204,183</u>
	<u>\$ 4,828,593</u>	<u>\$ 988,694</u>	<u>\$ 3,839,899</u>	<u>\$ 3,540,218</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

NOTE 4 TANGIBLE CAPITAL ASSETS – continued

The Centre's land and buildings consist of residential properties housing the operations of Boys' House and Libby's Place. Although title is registered in the name of the Centre, the properties were purchased with funding from the Ministry of Children and Youth Services and the province retains control over any change of use, alteration or disposition of said properties.

NOTE 5 THE GEORGE HULL CENTRE FOUNDATION

The Centre controls The George Hull Centre Foundation (the "Foundation"). The Foundation was primarily established to raise funds for the use of the Centre. The Foundation is incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered Charity under the Income Tax Act.

The Foundation has not been consolidated with the Centre's financial statements. Financial statements of the Foundation are available on request. A financial summary of the Foundation for the years ended March 31, 2019 and 2018 is as follows:

	2019	2018
Financial position		
Total assets	<u>\$ 2,322,385</u>	<u>\$ 2,091,637</u>
Total liabilities	\$ 502,701	\$ 455,092
Total net assets	<u>1,819,684</u>	<u>1,636,545</u>
	<u>\$ 2,322,385</u>	<u>\$ 2,091,637</u>
Results of operations		
Total revenue	\$ 906,799	\$ 773,786
Total expenditures	<u>723,660</u>	<u>526,641</u>
Excess of revenue over expenditures	<u>\$ 183,139</u>	<u>\$ 247,145</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

NOTE 6 DEFERRED CONTRIBUTIONS – OPERATING FUND

Deferred contributions represent funds received that are related to subsequent periods. The change in the deferred contributions balance for the year is as follows:

	2019	2018
Beginning balance	\$ <u>416,182</u>	\$ <u>171,702</u>
Add: Amounts received for the following year:		
EarlyON Child & Family Centres	\$ 347,019	\$ 330,931
Special Needs Resourcing	50,250	53,375
Family Group Conferencing - Provincial Project	17,095	9,595
Family Group Conferencing - Training Resource	<u>150</u>	<u>-</u>
	<u>\$ 414,514</u>	<u>\$ 393,901</u>
Deduct: Amounts recognized as revenue in current year for:		
EarlyON Child & Family Centres	\$(274,113)	\$(64,991)
Special Needs Resourcing	(53,375)	(53,784)
Family Group Conferencing - Provincial Project	(200)	(1,345)
Family Group Conferencing - Training Resource	<u>(150)</u>	<u>(29,301)</u>
	<u>\$(327,838)</u>	<u>\$(149,421)</u>
Ending balance	<u>\$ 502,858</u>	<u>\$ 416,182</u>
Deferred balance comprises the following:		
EarlyON Child & Family Centres	\$ 384,815	\$ 311,909
Special Needs Resourcing	51,951	55,076
Family Group Conferencing - Training Resource	40,097	40,097
Family Group Conferencing - Provincial Project	<u>25,995</u>	<u>9,100</u>
	<u>\$ 502,858</u>	<u>\$ 416,182</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

NOTE 7 DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

The change in the deferred contributions balance related to capital assets for the period is as follows:

	2019	2018
Beginning balance	<u>\$ 2,456,118</u>	<u>\$ 2,639,867</u>
Add: Contributions received		
Leasehold improvements - East Mall	\$ 216,350	\$ -
Leasehold inducements – East Mall	31,805	-
Leasehold improvements – Queens Plate	<u>37,500</u>	<u>-</u>
	<u>\$ 285,655</u>	<u>\$ -</u>
Deduct: Amounts recognized in current year:		
Amortization taken - East Mall	\$(68,890)	\$(113,389)
Leasehold inducements deducted against rent expense - East Mall	(15,284)	(24,876)
Amortization taken - Boys' House	(15,038)	(15,038)
Amortization taken - Libby's Place	(14,293)	(14,293)
Amortization taken - West Mall	(11,535)	(8,331)
Leasehold inducements deducted against rent expense - West Mall	(11,734)	(7,822)
Amortization taken – Queens Plate	<u>(3,125)</u>	<u>-</u>
	<u>\$(139,899)</u>	<u>\$(183,749)</u>
Ending balance	<u>\$ 2,601,874</u>	<u>\$ 2,456,118</u>

The ending balance is comprised of:

	2019	2018
Leasehold improvements - East Mall	\$ 1,270,680	\$ 1,123,220
Boys' House building purchase	518,811	533,849
Libby's Place building purchase	493,109	507,402
Leasehold inducements - East Mall	283,938	267,417
Leasehold improvements – Queens Plate	34,375	-
Leasehold improvements - West Mall	961	12,496
Leasehold inducements - West Mall	<u>-</u>	<u>11,734</u>
Ending balance	\$ 2,601,874	\$ 2,456,118
Less: current portion	<u>(129,295)</u>	<u>(191,311)</u>
	<u>\$ 2,472,579</u>	<u>\$ 2,264,807</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

NOTE 7 DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS - continued

Deferred contributions related to capital assets as listed above are comprised of the following:

- amounts received for the purchase of a building to house the operations of Boys' House, to be recognized as revenue to the same extent that amortization of the building is expensed over the forty year amortization period;
- amounts received for the purchase of a building to house the operations of Libby's Place, to be recognized as revenue to the same extent that amortization of the building is expensed over the forty year amortization period;
- amounts received towards the completion of leasehold improvements made to office space on The East Mall, for which the lease commenced January 1, 2014 to be recognized as revenue to the same extent that amortization of the leasehold improvements is expensed over the remaining term of the fifteen year lease;
- leasehold inducements received under the lease for office space on The East Mall commencing January 1, 2014 to be amortized over the fifteen year term of the lease;
- amounts received towards the completion of leasehold improvements made to office space on Queens Plate Drive, for which the lease commenced June 1, 2018 to be recognized as revenue to the same extent that amortization of the leasehold improvements is expensed over the remaining term of the ten year lease;
- amounts received towards the completion of leasehold improvements made to office space on The West Mall, for which the lease commenced July 1, 2014 to be recognized as revenue to the same extent that amortization of the leasehold improvements is expensed over the remaining term of the sixty-three month lease; and
- leasehold inducements received under the lease for office space on The West Mall commencing July 1, 2014 to be amortized over the sixty-three month term of the lease.

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

NOTE 8 PENSION PLAN

The Centre maintains a defined benefit final average earnings pension plan for employees hired on or before September 6, 2010. Persons who become employed after September 6, 2010 are not eligible to join the plan. The Centre has implemented a RRSP contributory type plan for those new employees. The Centre measures the fair value of plan assets and accrued benefit obligation for accounting purposes as of March 31st of each year. The most recent valuation for funding purposes was as of December 31, 2017 and the next required valuation is as of December 31, 2020.

The plan assets are currently invested 100% in Canadian market based balanced funds.

	2019	2018
Significant assumptions		
Discount rate		
At beginning of period	3.50%	3.90%
At end of period	3.45%	3.50%
Expected long-term rate of return on plan assets		
At beginning of period	3.50%	3.90%
At end of period	3.45%	3.50%
Status		
Plan assets at fair value	\$15,057,832	\$14,410,054
Accrued benefit obligation	<u>17,792,045</u>	<u>16,802,218</u>
Funded status - plan deficit	\$(2,734,213)	\$(2,392,164)
Less: current portion	<u>-</u>	<u>600,338</u>
	<u>\$(2,734,213)</u>	<u>\$(1,791,826)</u>
Loss (gain) - benefit obligation		
Benefit obligation at beginning of year	\$16,802,218	\$14,879,484
Employee current service contributions	235,418	245,743
Employer current service cost	295,538	247,652
Benefit payments	(490,504)	(417,902)
Interest cost	<u>588,786</u>	<u>581,772</u>
Expected value	\$17,431,456	\$15,536,749
Actual value	<u>17,792,045</u>	<u>16,802,218</u>
Loss (Gain)	<u>\$ 360,586</u>	<u>\$ 1,265,469</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

NOTE 8 PENSION PLAN - continued

	2019	2018
(Gain) Loss - plan assets		
Opening assets at fair value	\$14,410,054	\$13,659,258
Employee current service contributions	235,418	245,743
Employer contribution	126,743	488,283
Benefit payments	(490,504)	(417,902)
Expected return on plan assets	<u>502,106</u>	<u>538,875</u>
Expected value	\$14,783,817	\$14,514,257
Actual value	<u>15,057,832</u>	<u>14,410,054</u>
 (Gain) Loss	 <u>\$ (274,015)</u>	 <u>\$ 104,203</u>
 Net benefit plan expense		
Employer current service cost	\$ 295,538	\$ 247,652
Interest cost	588,786	581,772
Expected return on plan assets	<u>(502,106)</u>	<u>(538,875)</u>
 Expense	 <u>\$ 382,218</u>	 <u>\$ 290,549</u>
 Accrued benefit asset (liability)		
Opening balance	\$(2,392,164)	\$(1,220,226)
Net benefit plan expense	(382,218)	(290,549)
Employer contributions	126,743	488,283
Re-measurement (loss) gain	<u>(86,574)</u>	<u>(1,369,672)</u>
 Closing balance	 <u>\$(2,734,213)</u>	 <u>\$(2,392,164)</u>

Based on the actuarial valuation of December 31, 2017, regular payments in respect of annual employer service contributions plus annual administration expense are estimated at \$193,159 per year. Employee contributions are estimated at \$256,734 per year.

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

NOTE 9 RESTRICTED CONTRIBUTIONS – OPERATING FUND

Restricted contributions were received in fiscal 2014 from the Ministry of Children and Youth Services for the purchase of residential properties to house the operations of Boys' House and Libby's Place. The portion allocated to the purchased land was recognized as a direct increase in the restricted fund balance.

	2019	2018
Opening balance	\$ 1,178,000	\$ 1,178,000
Deferred contributions recognized as revenue in the period	29,331	29,331
Amortization expense	<u>(29,331)</u>	<u>(29,331)</u>
Closing balance	<u>\$ 1,178,000</u>	<u>\$ 1,178,000</u>

Although title to the property is registered in the name of the Centre, the province retains control over any change of use, alteration or disposition of said properties.

NOTE 10 COMMITMENTS

The Centre has entered into leases for premises situated at the following locations: 81 The East Mall, expiring December 31, 2037; 295 The West Mall, expiring April 30, 2019; 135 Queen's Plate Drive expiring May 31, 2028; 1904 Davenport Road, expiring August 31, 2019; and 200 Ronson Drive, expiring April 30, 2029. Minimum payments under these agreements are:

Year ending	Amount
March 31, 2020	\$ 665,589
2021	574,938
2022	574,938
2023	574,938
2024	<u>576,664</u>
	\$ 2,967,067
Remainder of term	<u>8,072,302</u>
	<u>\$11,039,369</u>

Above amounts are comprised of base annual rents plus estimated operating expenses.

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

NOTE 11 CHILDREN'S SERVICES OPERATIONS EFFECTIVENESS - WEST DISTRICT

EarlyON Child and Family Centres

Effective January 1, 2018, the Ontario Early Years program and the Highfield Community Enrichment program were rolled into the EarlyON Child and Family Centres. The following comprises the operations of the EarlyON Child and Family Centre, Agency ID 8817, to be reported to Children's Services Operations Effectiveness - West District.

	2019	2018 (3 months)
Funding		
City of Toronto	\$ 1,141,435	\$ 274,113
Other	<u>856</u>	<u>7,115</u>
	<u>\$ 1,142,291</u>	<u>\$ 281,228</u>
Expenses		
Wages and benefits	\$ 982,215	\$ 243,505
Rent	78,906	20,218
Client services	39,023	5,950
Program supplies	3,162	-
Communication	6,407	1,401
Office	4,653	1,104
Repairs and maintenance	13,487	-
Travel	6,896	1,048
Staff development	<u>1,182</u>	<u>587</u>
	<u>\$ 1,135,931</u>	<u>\$ 273,813</u>
Net surplus	<u>\$ 6,360</u>	<u>\$ 7,415</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

NOTE 11 CHILDREN'S SERVICES OPERATIONS EFFECTIVENESS - WEST DISTRICT - continued

Special Needs Resourcing

The following comprises the operations of the Special Needs Resourcing Department, Agency ID 6406, site location 11748, to be reported to Children's Services Operations Effectiveness - West District.

	2019	2018
Funding	\$ 197,875	\$ 213,091
Expenses		
Wages and benefits	\$ 171,373	\$ 172,252
Rent	4,354	4,178
Professional services:		
Client related	257	8,420
Non-client related	1,149	1,123
Client services	7,485	10,897
Office supplies		-
Communication	2,696	2,957
Insurance	690	670
Travel	6,660	7,110
Staff development	915	3,274
Repair and maintenance	3,006	1,477
Library	<u>2,562</u>	<u>352</u>
	\$ 201,147	\$ 212,710
Net (deficiency) surplus	<u>\$(3,272)</u>	<u>\$ 381</u>

NOTE 12 RELATED PARTY TRANSACTIONS

Donations reported in the statement of operations are net donations in the amount of \$410,149 (2018 - \$249,000) from The George Hull Centre Foundation.

The George Hull Centre for Children and Families controls The George Hull Centre Foundation. The objective of the George Hull Centre Foundation is to raise funds to support The George Hull Centre for Children and Families.